

REPORT

ADAPT, INC.

Bogalusa, Louisiana

**Financial Statements
For the Year Ended
December 31, 2014**

MINDA B. RAYBOURN

Certified Public Accountant

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438

Adapt, Inc.
Bogalusa, Louisiana

Financial Statements
As of and for the Year Ended
December 31, 2014
With Supplemental Information Schedule

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Minda B. Raybourn

*Certified Public Accountant
Limited Liability Company*

820 11TH AVENUE
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MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Adapt Inc.
216 Memphis Street
Bogalusa, LA 70427

I have reviewed the accompanying Statement of Financial Position of Adapt Inc. (a non-profit organization) as of December 31, 2014, and the related Statement of Activities and Cash Flow for the year then ended. A review includes primarily applying analytical procedures to the organization's financial data and making inquiries of the organization. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included on pages 12-13 are presented for the purpose of additional analysis and are not a required part of the basis financial statements. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and, accordingly, I do not express an opinion or provide any assurance on such supplementary information.

In accordance with the *Louisiana Governmental Audit Guide* and the provision of state laws, I have issued a reported dated, July 10, 2015 on the results of my agreed-upon procedures.

Minda Raybourn

Minda Raybourn CPA
July 10, 2015
Franklinton, LA

ADAPT, INC.

Statement of Financial Position

As of December 31, 2014

ASSETS

Current assets:

Cash and cash equivalents	\$ 81,697
Grant receivables	<u>62,629</u>
Total current assets	<u>144,326</u>

Total Assets	<u><u>\$ 144,326</u></u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Payroll payable	\$ <u>5,114</u>
Total current liabilities	<u>5,114</u>

Total Liabilities	<u>5,114</u>
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Net Assets:

Unrestricted	<u>139,212</u>
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Total Net Assets	<u>139,212</u>
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Total Liabilities and Net Assets	<u><u>\$ 144,326</u></u>
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See accompanying notes and independent accountant's review report.

ADAPT, INC.

Statement of Activities

For the year ended December 31, 2014

Functions/Programs	Temporarily Restricted			
	Expenses	Grants Revenues	In-Kind Services	Increase/ (Decrease)
Federal and State Grant Activity				
Rape prevention education	\$ 15,516	\$ 15,533	\$ -	\$ 17
Rape counseling program	53,716	45,275	8,810	369
Sexual assault program	17,917	17,953	-	36
Sexual assault service program	25,138	26,452	-	1,314
Children trust fund			-	-
Tobacco free living	17,316	17,400		84
Drug Free Communities	29,952	29,555		(397)
Heart Ahead Heart Smart	26,693	37,500		10,807
Addictive disorder	51,327	51,351	-	24
Total Federal and State Grant Activity	237,575	241,019	8,810	12,254
General Revenues				
Drug screening fees				61,507
Other fees DNA, Wellness				228
Counseling fees				14,419
United Way proceeds				8,518
Donations				4,847
Other Revenue				7,659
Total Unrestricted Revenue				97,178
Expenses				
Drug screening expenses				18,061
Other fees DNA, Wellness				1,948
Consultant expenses				6,367
Personnel Costs				62,402
Other Operating Expenses				10,847
Total Expenses				99,625
Change in Net Assets				9,807
Net Assets, Beginning				129,405
Net Assets, Ending				\$ 139,212

See accompanying notes and independent accountant's review report.

ADAPT, INC.

Statement of Cash Flow

For the year ended December 31, 2013

Cash Flows From Operating Activities

Change in Net Assets 9,807

Adjustments to Reconcile Operating Income to Net Cash

Flows From Operating Activities:

Increase in Grants Receivable (21,832)

Decrease in Payroll Tax Payable (62)

Net Cash Flows From Operating Activities \$ (12,087)**Net Change in Cash and Cash Equivalents** (12,087)**Cash and Cash Equivalents - Beginning of Year** 93,784**Cash and Cash Equivalents - End of Year** \$ 81,697

See accompanying notes and independent accountant's review report.

Adapt, Inc.

Notes to Financial Statements

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Corporation and Nature of Activities**

Adapt, Inc. (the "Organization") is a Louisiana non-profit corporation formed on July 22, 1994. The Organization's purpose is to provide education and out-patient therapy and assessments in the area of substance abuse; to provide education, out-patient therapy and assessments to victims of sexual assault; to provide general mental health and social services through collaboration, coordination, education, assessment, and intervention, and to enter into any lawful business activity which corporations organized under Revised Statute 12:201 et seq. engage, either for its own account or on behalf of others as an agent.

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting based on accounting principles generally accepted in the United States. The Organization follows the guidance provided by the Financial Accounting Standards Board in its codification of accounting standards (ASC 958). Under these standards, the Organization is required to report its financial position and activities in three classes based on the existence of donor-imposed restrictions regarding the use of the assets. The classes of net assets are as follows:

Unrestricted net assets represent those net assets which are not subject to any donor imposed restrictions and, therefore, may be utilized at the discretion of the organization.

Temporarily restricted net assets result from contributions and other inflows of assets whose use is limited by donor imposed restrictions that expire by passage of time or upon the fulfillment of the donor imposed restrictions by the Organization.

Permanently restricted net assets result from contributions and other inflows of net assets whose use by the Organization is limited by stipulations that do not expire or otherwise cannot be removed by the Organization.

Revenue Recognition

The Organization receives the majority of its funding through federal grants which are passed through local state agencies. Revenue from grants is recognized at the time that the underlying expenses which are reimbursable according to the terms of the grant are incurred.

Adapt, Inc.**Notes to Financial Statements****December 31, 2014**

The Organization also provides services on a fee for service basis. These services include drug screening and counseling. Revenue from such services is recognized at the time the services are provided to the client.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all short-term debt securities with maturity of three months or less to be cash equivalents.

Grant Receivables

Grant receivables represent amounts due for reimbursement of expenses which had been incurred by the Organization as of December 31, 2014, which were reimbursable under federal grants, and which had not been reimbursed to the Organization as of December 31, 2014.

Income Taxes

The Organization is a not-for-profit corporation that is exempt from both federal and Louisiana income taxes under Section 501(c)(3) of the Internal Revenue Code and R.S. 12:201 of Louisiana Statutes. Accordingly, the Organization has not provided any provision for income taxes in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statement date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: CASH AND CASH EQUIVALENTS

The Corporation's cash equivalents at December 31, 2014 were comprised of demand deposits in the amount of \$81,697. These deposits are stated at cost, which approximates market. Under state law these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must all time equal the amount on deposit with the fiscal agent. At December 31, 2014 the Corporation has \$94,886 in deposits (collected bank balance). These deposits are fully secured from risk by federal deposit insurance.

Adapt, Inc.

Notes to Financial Statements

December 31, 2014

NOTE 3: GRANTS RECEIVABLE

The Corporation's receivables consist of reimbursements due for federal grant expenditures. Amounts due as of December 31, 2014 were as follows:

Rape Prevention Education	\$ 3,558
Rape Counseling Program	9,176
Sexual Assault Counselor Program	14,611
Drug Free Communities Program	4,837
Addictive Disorders Grant	9,721
Sexual assault service program	<u>20,726</u>
	<u>\$ 62,629</u>

NOTE 4: LEASE

On July 1, 2014, the Corporation entered into a new 2 year lease agreement for the property located at 216 Memphis Street, Bogalusa, Louisiana. Payments required under this lease are \$1,100 per month for 24 months and will terminate on June 30, 2016. The lease agreement is renewable for an additional two year term commencing July 1, 2016 .

NOTE 5: SCHEDULE OF FEDERAL GRANT AWARDS

Grants from governmental agencies include the following for the year ended December 31, 2014:

	<u>Federal CFDA Number</u>	<u>Pass Through Grantor Number</u>	<u>Federal Expenditures</u>
<u>FEDERAL GRANTS</u>			
United States Department of Health and Human Services			
Louisiana Department of Health & Hospitals			
FY 13-14 Rape Prevention Education	93:136	CFMS627482	\$ 6,389
FY 14-15 Rape Prevention Education	93:136	CFMS627482	9,144
FY 13-14 Addictive Disorder	93:136	CFMS692642	34,168
FY 12-13 Addictive Disorder	93:136	CFMS692642	17,183
United States Department of Justice			
Louisiana Commission on Law Enforcement			
FY 13-14 Rape Counseling Program	165:75	CO 11-5-009	35,730
FY 14-15 Rape Counseling Program	165:75	CO 10-5-008	9,545
FY 13-14 Sexual Assault Counselor	165:88	MO 12-8-021	3,342
FY 14-15 Sexual Assault Counselor	165:88	MO 11-8-021	14,611
FY 13-14 Sexual Assault Service Program	165:88		5,726
FY 12-13 Sexual Assault Service Program	165:89		<u>20,726</u>
Total Federal Grant Expenditures			\$ <u>156,564</u>

Adapt, Inc.

Notes to Financial Statements

December 31, 2014

NOTE 6: SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through July 10, 2015, the date the financial statements were available for issuance and these financial statements considered subsequent events through such date. No events were noted that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2014.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

12/31/14 (Date Transmitted)

Minda B. Raybourn CPA LLC

820 11th Ave

Franklinton, LA 70438

(Auditors)

In connection with your review of our financial statements as of December 31, 2014 and for the period then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://app1.la.state.la.us/lla/nsf>, to determine whether a non-profit agency is subject to the open meetings law.**

Yes ☒ No ☐

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

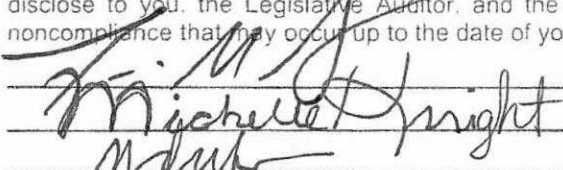
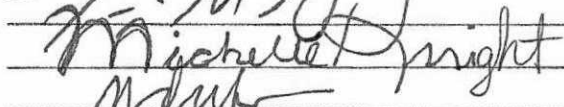

Yes ☒ No ☐

We have resolved all prior-year recommendations and/or comments.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

	Secretary	12-19-14	Date
	Treasurer	12-19-14	Date
	President	12-19-14	Date

ADAPT, INC.

Schedule of Board Members

For the year ended December 31, 2014

	TERM
Sandra Bloom, President 409 Salem Drive Bogalusa, La 70427 985-740-4227	1/1/14-12/31/14
Sandra Bloom, Vice-President 409 Salem Drive Bogalusa, La 70427 985-740-4227	1/1/14-12/31/14
Michelle Knight, Treasurer 64284 Foster Town Road Angie, La. 70426 985-732-3691	1/1/14-12/31/14
Merlin Duke, Board member 433 Plaza Bogalusa, La 70427 985-730-6800	1/1/14-12/31/14
Erin Killingworth 1403 North Avenue Bogalusa, La 70427 985-735-0322	1/1/14-12/31/14
Charlette Fornea, Chief Executive Officer 25705 Coleman Street Angie, La. 70426 985-735-0322	

Board Members are re-elected each year and receive no compensation.

See independent accountant's review report.

ADAPT, INC.**Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the year ended December 31, 2014**

Agency Head: Charlotte Fornea, Director

Salary	58,240
Benefits-Social Security and Medicare	4,455
Travel	3,833
Reimbursement for Supplies	1,597
Total	<u>68,124</u>

See independent accountant's review report.

MINDA B. RAYBOURN

Certified Public Accountant

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438
(985)839-4413
FAX (985)839-4402

MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Trustees of
Adapt, Inc.

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Adapt, Inc., and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Corporation's compliance with certain laws and regulations during the period ended December 31, 2014 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representations regarding the sufficiency of the procedures described below neither for the purpose for which this report has been requested nor for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LAS-RS 38:2211-2251 (the public bid law).

The Corporation did not have any purchases that exceeded \$30,000 or public works expenditures exceeding \$150,000. The Trustees are aware of the bid law and stated they would comply with the law.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list of board members, their immediate family members, and their outside business interests. I scanned cash disbursements journals for any related party transactions, there were none that came to my attention.

3. Obtain from management a listing of all employees paid during the period under examination.

The Corporation provided me with a list of all employees paid during the fiscal year ended December 31, 2014 along with a copy of their W-2's.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in procedure (2) as immediate family members.

There were no employees names included on the list of immediate family members provided by the board members.

Budgeting

5. Obtain a copy of grant Awards.

I reviewed the grant awards by comparing the revenues and expenditures to the grant awards. The agency was in compliance with the various grant awards.

Accounting and Reporting

6. Randomly select six disbursements made during the period under examination and:

(a) Trace payments to supporting documentation as to proper amount and payee:

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) Determine if payments were properly coded to the correct fund and general ledger account;

The six payments I examined were coded to the correct general ledger accounts and proper fund.

(c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting the six selected disbursements indicates approval to purchase from proper authorities.

Meetings

7. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-12 (the open meetings law).

Adapt Inc.'s board of trustees meets quarterly. The notice of meeting and agenda is posted on the door of the of Corporation's office two days prior to each meeting. Management has asserted that the agenda was properly posted. I examined copies of meeting notices containing date, time, place and business to be conducted, which are filed with the minutes of each meeting.

Debt

8. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

I inspected copies of all bank deposits for the period under examination and did not detect any deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

9. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

I scanned cash disbursement records and minutes for evidence of any payments which may constitute employee bonuses, employee advances, or gifts to Board members, none were noted. I compared the yearly earnings report to the W-2's.

Late Submission of Report

The statutory due date for the report is June 30, 2015. The report was late due to personnel changes in the accounting function of the organization. Adapt, Inc. will work with the CPA to ensure that the report is submitted by the statutory due date in the future.

I was not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Adapt Inc. and the Legislative Auditor, State of Louisiana and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Minda Raybourn

Minda B. Raybourn
Certified Public Accountant

July 10, 2015